Committee on Resources

Statement

Testimony of the Honorable Paul E. Kanjorski Committee on Resources Field Hearing: "Abandoned Mined Land Reclamation Needs of the Pennsylvania Anthracite Fields"

January 24, 2000

Mr. Chairman, members of the Committee, thank you for allowing me to speak briefly about the environmental devastation suffered by eastern Pennsylvania, the current inadequacy of environmental mining reclamation policies to address this region's needs, and the urgent need for a unique, comprehensive, regional approach to solving the problem.

Approximately 120,000 acres of land in twelve counties in eastern Pennsylvania bear the environmental scars of the anthracite coal mining industry from poor mining practices that took place more than forty years ago prior to the adoption of environmental laws meant to reclaim the land. The U.S. Interior Department's Office of Surface Mining estimates that nearly \$2 billion is necessary to restore the land and water of the anthracite region. However, only about \$10 million per year is spent from the federal Abandoned Mine Land Trust Fund in the anthracite region. At this slow pace, we will not remedy a critical environmental problem for centuries.

More than twenty million people are affected by the quality of water of the Susquehanna River and Delaware Rivers, which carry acid mine drainage from the anthracite region to the Chesapeake and the Delaware Bays, respectively. The U.S. Geological Survey estimates that contaminated streams from the anthracite region dump 740 tons of sulfate and 51 tons of iron into the Susquehanna River **every day**. The Susquehanna River in turn provides more than half of the freshwater flow into the Chesapeake Bay; EPA has determined that this acid mine drainage is the greatest source of industrial pollution in the Bay.

Current environmental policy is based on either preventing pollution by regulation or providing funds to correct individual environmental problems. Like the Everglades, eastern Pennsylvania needs a long-term, comprehensive, regional environmental restoration program to correct the mistakes of the past. This is fundamentally an issue of fairness. Pennsylvania anthracite coal fueled the Industrial Revolution that made America the superpower it is today. Unfortunately, the physical scars left by the Industrial Revolution of the 19th and 20th Centuries have decreased our competitiveness in the Information Age of the 21st Century. By demonstrating that a single-purpose government corporation can undertake a sustained effort over a long period of time, we can serve as a model for other environmentally damaged regions of the country that seek to clean up this degradation.

A comprehensive, regional approach would remedy this problem more quickly and significantly reduce the cost of cleaning up the land and water of the anthracite region. I propose establishing a federally authorized organization to undertake a comprehensive clean-up plan that would result in the complete environmental restoration of the region over thirty years using a self-financing program that would recover the entire cost of the reclamation.

The Anthracite Region Reclamation and Development Trust

I believe that we should establish the Anthracite Region Reclamation and Development Trust (the Trust) as a wholly-owned government corporation. It would be run by a Presidentially-appointed administrator (confirmed by the Senate) under the policy direction of the Secretary of the Interior, who would also appoint an advisory panel of community leaders, some of whom would be recommended by the Governor of Pennsylvania. The Trust, together with an Authority created under Pennsylvania law, would develop a comprehensive master plan to be submitted to Congress for review that would set priorities for restoration of the land and water, and then perform the actual clean-up, either directly or through contracts. The Trust would also work closely with existing federal, state, and local governmental units, as well as economic development organizations, to plan infrastructure and development regionally. By providing professional expertise and assistance in obtaining funding, the Trust would assist local communities to more efficiently upgrade sewer systems (solving the combined sewer overflow problem), improve transportation systems, and encourage more thoughtful land use planning. The purpose of the Trust would be to ensure proper federal oversight over the project.

Much of the degraded land is privately owned by parties not directly responsible for the environmental damage. To allow for truly comprehensive regional reclamation, the Trust and/or the Authority should have sufficient power to carry out the comprehensive master plan. Because eastern Pennsylvania is ideally located in the heavily populated Northeastern United States, much of this land would increase in value significantly if restored to its pre-mining condition. By acquiring, reclaiming, developing for "smart growth" in some areas, and ultimately selling former mine lands, the Trust and/or the Authority should be able to eventually recover the entire cost of the reclamation. After a thirty-three year period, the Trust and the Authority should be dissolved and its assets distributed in accordance with its underlying purpose.

The Anthracite Reclamation Bond

It is essential that the Trust have enough capital to carry out sufficiently the master plan over a long period of years. I propose the adoption of a tax credit bond, the Anthracite Reclamation Bond, which would provide a tax credit to the holder of the bond and would permit the Authority to borrow funds without interest costs. The Anthracite Reclamation Bond would be for a 30-year period and would allow the Authority to spend the bond proceeds over that same period, in recognition of the fact that the restoration activity will occur over many years. The bond proceeds could be used for such purposes as the acquisition, environmental restoration, economic development, and redevelopment (including infrastructure construction) of the land and water in the anthracite region. The Trust and the Authority would be subject to review by the General Accounting Office, as well as oversight by the Secretary of the Interior and Congress.

A single Anthracite Reclamation Bond for \$1.2 billion would finance the major portion of the environmental renaissance of eastern Pennsylvania. By producing a certain and sustained dedication of resources, the Trust would be able to complete the long term restoration plan that is necessary for success. Absent a bond issue of this amount, a comprehensive restoration effort would not -- and has not -- succeeded.

In closing, thank you again, Mr. Chairman, for allowing me to comment at this time. I look forward to continuing to work with you on this matter.

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